



CONSENT ☒ YES  
☐ NO

CAO REVIEW

☒ Concur

☐ Do Not Concur

☐ Exempt

CONTACT FOR INFORMATION

Vicki Wilson/Loretta Barrett

568-4160

TO: BOARD OF SUPERVISORS COUNTY OF ORANGE

FROM: Integrated Waste Management Department

MEETING DATE

October 1, 1991

SUBJECT

ESCROW AND PLEDGE OF REVENUE AGREEMENTS WITH THE  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

SUPV. DIST.

ALL

SUMMARY OF REQUEST (Description for agenda)

Authorize execution of the escrow and pledge of revenue agreements between the California Integrated Waste Management Board and the Integrated Waste Management Department (IWMD) to meet the requirements of California Integrated Waste Management Board Code of Regulations, Title 14, Division 7, Chapter 5, Article 3.5.

ADDITIONAL DATA:

See Attached.

VIOUS RELEVANT BOARD ACTIONS ON THIS SPECIFIC ITEM:  
None

FUNDING SOURCE(S)

Waste Management Enterprise Fund

CURRENT YEAR COST

\$ -0-

ANNUAL COST

\$ \*

BUDGETED? ☒ YES ☐ NO

WILL PROPOSAL REQUIRE ADDITIONAL PERSONNEL?

☒ NO IF YES, STATE NUMBER \_\_\_\_\_ PERMANENT \_\_\_\_\_ LIMITED TERM

CONSISTENT WITH BOARD POLICY?

☒ YES ☐ NEW ITEM OR EXCEPTION

RECOMMENDED ACTION

Authorize execution of the Closure and Postclosure Maintenance Agreements for the Santiago Canyon, Prima Deshecha and Olinda Alpha Sanitary Landfills.

CONCURRENCES (If applicable)

County Counsel  
Treasurer-Tax Collector

ATTACHMENTS

Escrow Agreements  
Pledge of Revenue Agreements

9/18/91  
DATE

Frank R. Bowerman, Director and Chief Engineer  
Integrated Waste Management Department

ESCROW AND PLEDGE OF REVENUE  
AGREEMENTS WITH THE CALIFORNIA  
INTEGRATED WASTE MANAGEMENT BOARD

ADDITIONAL DATA:

The California Integrated Waste Management Board Code of Regulations, (Title 14, Division 7, Chapter 5, Article 3.5) provides that mechanisms must be established to ensure that monies needed to fund closure construction and postclosure maintenance are available for landfills operating after January 1, 1989. Monies for closure construction are to be deposited to an escrow account according to a State formula until the required total is accumulated. A pledge of revenue is an accepted financial assurance mechanism for postclosure maintenance.

As a condition of approval of preliminary closure and postclosure maintenance plans and operating permits for the Santiago Canyon, Prima Deshecha, and Olinda Alpha Sanitary Landfills, the California Integrated Waste Management Board has required that this provision be fulfilled. The mechanisms are in the form of escrow agreements for closure, and pledge of revenue agreements for postclosure maintenance.

The estimated total cost for closure and required deposit to the escrow accounts are as follows and will be paid from the Waste Management Enterprise Fund. The postclosure maintenance costs shown are an estimated annual average each year for thirty (30) years. The revenue source pledged is future landfill gate fees. The postclosure maintenance agreements stipulate that "the amount of this pledge may increase or decrease to match any adjustment to the identified cost estimate which is mutually agreed to by the IWMD (through your honorable Board) and the (State) Board." The amounts shown below will be adjusted annually for inflation.

	<u>Closure</u>	<u>Postclosure Maintenance</u>
Santiago	\$11,497,714	\$ 637,500
Prima	\$47,296,774	\$1,232,333
Olinda	\$ 9,094,966	\$ 567,333

- \* Annual costs will vary depending upon the tons received at the landfills, the financial status of the escrow accounts, and the timing of closure of each of the landfills. The initial deposit to the escrow accounts for closure will be made in September 1992.

The escrow and pledge of revenue agreements have been signed by County Counsel.

The escrow agreements have also been signed by the Orange County Treasurer-Tax Collector, who will act as escrow agent.

COMPLIANCE WITH CEQA:

The recommended action is not a project as defined by CEQA.

IWMD/LB:da/AIT8276

*Keep Copy*

ESCROW AGREEMENT

The parties to this Escrow Agreement are the State of California Integrated Waste Management Board, referred to herein as BOARD, County of Orange, through its Integrated Waste Management Department referred to herein as IWMD, and County of Orange Treasurer's Office referred to herein as ESCROW AGENT.

RECITALS

(1) The BOARD and IWMD desire to enter into an agreement to provide assurance of funds for closure at the County of Orange Prima Deshecha Sanitary Landfill, (SWIS No. 30-AB-0019), referred to herein as PROJECT.

(2) The purpose of this agreement is to provide the terms and conditions for the deposit by IWMD of sufficient funds with the ESCROW AGENT to assure the BOARD that funds in the amount necessary to meet required expenses of the PROJECT will be available as needed.

(3) The funds shall be deposited into a separate identifiable account within the IWMD Enterprise Fund 2993 and transferred into ESCROW ACCOUNT, 2017 maintained by the County of Orange, exclusively for the PROJECT.

SECTION I

IWMD AGREES:

(1) To deliver monies, negotiable securities, or securities as specified in the attached EXHIBIT A, to the ESCROW AGENT according to the requirements of Title 14 California Code of Regulations (CCR) Section 18282 (b through c).

(2) To request disbursement of funds from this ESCROW ACCOUNT only in accordance with activities specified in the closure plan most recently approved by the applicable State agencies.

(3) To request advance disbursement of funds, as specified in the California Code of Regulations (14, CCR, 18262.3, (a), (7), (A)), from the ESCROW AGENT based on the demonstration of an executed contract or agreement for services for activities to be performed in accordance with the most recently approved closure plan.

(4) To furnish progress reports on a quarterly basis, to demonstrate that expenditures from this ESCROW ACCOUNT have been made in accordance with the most recently approved closure plan.

(5) To maintain sufficient funds in the ESCROW ACCOUNT to assure the BOARD that funds in the amount necessary to meet the required expenses of the PROJECT for closure will be available as needed. This means that, as a minimum, it should be maintained in accordance with 14 CCR 18282 (b) through (c).

IWMD/LB:da/8143LB

## SECTION II

### BOARD AGREES:

(1) In the event that the Board determines that the County of Orange has failed or is failing to perform closure as described in the most recently approved closure plan, the Board may direct the ESCROW AGENT to pay to the Director and Chief Engineer of IWMD from the appropriate closure fund such amounts as are necessary to ensure closure, who shall then be obligated to use such funds for that purpose at Prima Deshecha Sanitary Landfill in accordance with the directive of the Board.

(2) In the event that IWMD fails to perform the closure described in the closure plan, the BOARD may request a draw of funds in United States currency to pay for services or supplies needed to fulfill the most recently approved closure plan. The funds shall be made available to the BOARD within fifteen (15) days of the request. If reimbursement for BOARD supplied services is necessary following BOARD-initiated actions taken to fulfill the most recently approved closure plan, such requests shall be supported by documented billings submitted to the ESCROW AGENT at least fifteen (15) days in advance of payment. Payment in United States currency shall be made to the BOARD within fifteen (15) days of submission of documented costs. A copy of the documented billing shall be provided to the Director and Chief Engineer of IWMD concurrently.

(3) Notwithstanding the provisions of Section II, (1) and (2), herein, IWMD shall retain access to the funds on deposit in the ESCROW ACCOUNT established and maintained in accordance with this ESCROW AGREEMENT for services and supplies purchased and/or provided to fulfill the closure plan most recently approved by the applicable State agencies.

## SECTION III

### ESCROW AGENT AGREES:

(1) To place IWMD deposit funds into ESCROW ACCOUNT 2017 immediately upon receipt from IWMD.

(2) To hold IWMD deposited funds in trust for the benefit of the BOARD until such time as funds are requested by IWMD as specified in Section I (3), or by the BOARD as specified in Section II (1) and (2), or until this ESCROW AGREEMENT is terminated.

(3) To make no charge to the BOARD for any services or out-of-pocket expenses incurred in carrying out the duties and obligations under this ESCROW AGREEMENT.

(4) That it holds said IWMD deposited funds as trustee for the BOARD and that the rights of the BOARD to such funds are superior to any lien or claim of lien which ESCROW AGENT, IWMD, IWMD's governing body or creditors of IWMD or its governing body claim or may in the future claim against said funds.

IWMD/LB:da/8143LB

(5) To make payments from the ESCROW ACCOUNT as the IWMD shall direct, in writing, to provide for the payment of the costs of the PROJECT, pursuant to Section I, (3). Payments shall be made within fifteen (15) days of the request.

(6) To make payments from the ESCROW ACCOUNT as the BOARD shall direct, in writing, to provide for the payment of the costs of the PROJECT, pursuant to Section II, (1) and (2). Payments shall be made within fifteen (15) days of the request.

#### SECTION IV

##### THE PARTIES HERETO MUTUALLY AGREE THAT:

(1) All earnings and profits on amounts on deposit in the ESCROW ACCOUNT shall be retained as part of the ESCROW ACCOUNT until such time that the funds are needed to fulfill the closure requirements.

(2) IWMD may, with BOARD's concurrence, withdraw excess funds from the custody of the ESCROW AGENT, provided that the requirements of Section I, (5) of this agreement are satisfied. BOARD concurrence will not be unreasonably withheld, and denial for good cause shall be provided to IWMD not later than four (4) months following the request to withdraw the excess funds.

(3) This ESCROW AGREEMENT shall terminate after notification to ESCROW AGENT and IWMD of the termination of the PROJECT pursuant to 14 CCR 18297; or, if a substitution of mechanism is made, pursuant to the criteria of 14 CCR 18292. ESCROW AGENT shall then promptly return to IWMD all funds including accrued interest, earnings and profits remaining in the ESCROW ACCOUNT upon notice that said remaining funds may be released. The BOARD shall not unreasonably delay the giving of such notice.

(4) Fully documented fees, charges or expenses, by the ESCROW AGENT while servicing this ESCROW ACCOUNT shall be paid to the ESCROW AGENT from the ESCROW ACCOUNT, following approval by the BOARD.

(5) This ESCROW AGREEMENT shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto, consistent with the provisions of 14 CCR 17792 and 18297.

(6) Separate counterpart signature pages may be used but that all pages shall constitute one and the same agreement.

IWMD/LB:da/8143LB

IN WITNESS WHEREOF, The parties have executed this agreement on the date and year as set forth below.

\*\*\*

STATE OF CALIFORNIA  
Integrated Waste Management Board

By: Michael R. Frost  
Chairman

Dated: \_\_\_\_\_

APPROVED AS TO FORM AND PROCEDURE:

By: Robert F. Conheim  
General Counsel

Dated: \_\_\_\_\_

COUNTY OF ORANGE  
Board of Supervisors

By: Gaddi Vasquez  
Chairman

Dated: October 1, 1991

ESCROW AGENT

By: Robert Citron  
Treasurer/Tax Collector

Dated: 9/10/91

SIGNED AND CERTIFIED THAT A COPY OF  
THIS DOCUMENT HAS BEEN DELIVERED TO  
THE CHAIRMAN OF THE BOARD

By: Linda D. Ruth  
Clerk of the Board

Dated: October 1, 1991

APPROVED AS TO FORM:

By: Lisa Peskay Malmsten  
Deputy  
County Counsel

Dated: 12 September 991

IWMD/LB:da78143LB

EXHIBIT A

ELIGIBLE SECURITIES OR CERTIFICATES OF DEPOSIT

1. U. S. Treasury Bills, and Notes  
Export-Import Bonds  
Government National Mortgage Association Debentures  
Farmers Home Administration Notes  
Public Housing Notes
2. State of California General Obligation Bonds
3. General Obligation Bonds of any California County, City, Metropolitan Water DISTRICT, Municipal Utility DISTRICT, or school DISTRICTS. (In addition, other issues are eligible by statutory authority authorizing the issuance; each issue has to be determined on request).
4. Banks for Cooperative Debentures  
Federal Intermediate Credit Bank Debentures  
Federal Home Loan Bank Notes and Bonds  
Federal Land Bank Bonds  
Federal National Mortgage Association Debentures  
Tennessee Valley Authority Bonds
5. Certificates of Deposit  
Federal Chartered Banks  
State of California Chartered Banks

IWMD/LB:da/8143LB

## PLEDGE OF REVENUE AGREEMENT

This agreement establishes a Pledge of Revenue to assure that adequate funds are available to carry out the Postclosure Maintenance of the Prima Deshecha Sanitary Landfill (Landfill).

This Agreement shall become effective upon execution by both parties, and is made and entered into by and between the County of Orange, through its Integrated Waste Management Department (IWMD) and the California Integrated Waste Management Board (Board).

WHEREAS, California Government Code Section 66796.22 and Sections of Title 14 of the California Code of Regulations (Regulations), Chapter 5, Article 3.5, require operators of solid waste landfills to demonstrate the availability of financial resources to conduct closure and postclosure maintenance activities; and

WHEREAS, Sections 18283 and 18290 of the Regulations specify a pledge of revenue as an acceptable mechanism to demonstrate financial responsibility for postclosure maintenance of a solid waste landfill; and

WHEREAS, IWMD operates the Prima Deshecha Sanitary Landfill, a solid waste landfill, in conformance with the findings, conditions, prohibitions and requirements contained in Solid Waste Facilities Permit No. 30-AB-0019 issued by the County of Orange Solid Waste Enforcement Agency serving as Local Enforcement Agency for the Board; and

WHEREAS, IWMD is pledging revenues from gate fees deposited into the County of Orange Integrated Waste Management Department Enterprise Fund 2991 (Enterprise Fund); and

WHEREAS, IWMD has determined that projected net revenues from gate fees during the thirty (30) year period of postclosure maintenance shall, during each year of this period, be greater than the yearly monitoring and postclosure maintenance cost contained in the most recent Cost Estimate for the Prima Deshecha Sanitary Landfill, submitted to the Board, in accordance with Section 18266 of the Regulations.

NOW THEREFORE, IWMD and the Board do agree as follows;

1. IWMD shall establish a pledge of revenue of the Enterprise Fund to demonstrate financial responsibility for postclosure maintenance of the Landfill in accordance with Sections 18283 and 18290 of the Regulations.

IWMD/LB:da78143LB



2. IWMD agrees to pledge net revenues from the Enterprise Fund as described herein.
3. The amount of the pledged revenue shall be equal to an average of \$1,232,333 per year for the 30 year period of postclosure maintenance, representing the most recent monitoring and postclosure maintenance cost estimate for the Landfill. It is agreed that the amount of this pledge may increase or decrease to match any adjustment to the identified cost estimate which is mutually agreed to by IWMD and the Board.
4. If IWMD ceases at any time to retain control of its ability to allocate the pledged revenue as identified herein to pay postclosure maintenance costs, IWMD shall notify the Board and the County of Orange Solid Waste Enforcement Agency and shall obtain alternate coverage within sixty (60) days, pursuant to Section 18293 of the Regulations.
5. In the event that the Board determines that the County of Orange has failed or is failing to perform the postclosure maintenance as described in the most recently approved postclosure maintenance plan, the Board may direct the County of Orange Auditor Controller to pay to the Director and Chief Engineer of IWMD from the pledged revenues such amounts as are necessary to ensure postclosure maintenance, who shall then be obligated to use such funds for these purposes at Prima Deshecha Sanitary Landfill in accordance with the directive of the Board.
6. In the event that IWMD fails to perform the postclosure maintenance described in the most recently approved postclosure maintenance plan, the BOARD may request the County of Orange Auditor Controller to pay from the pledged revenues for services or supplies needed to fulfill the required tasks outlined in the most recently approved postclosure maintenance plan. If reimbursement for BOARD supplied services is necessary following BOARD-initiated actions taken to fulfill the most recently approved postclosure maintenance plan, such requests shall be supported by documented billings submitted to the County of Orange Auditor Controller at least fifteen (15) days in advance of payment. A copy of the documented billing shall be provided to the Director and Chief Engineer of IWMD concurrently.
7. Separate counterpart signature pages may be used but that all pages shall constitute one and the same agreement.

IWMD/LB:da78143LB

IN WITNESS WHEREOF, The parties have executed this agreement on the date and year as set forth below.

\* \* \*

STATE OF CALIFORNIA  
Integrated Waste Management Board

By: Michael R. Frost  
Chairman

Dated: \_\_\_\_\_

APPROVED AS TO FORM AND PROCEDURE:

BY: Robert F. Conheim  
General Counsel

Dated: \_\_\_\_\_

COUNTY OF ORANGE  
Board of Supervisors

By: Gaddi Vasquez  
Chairman

Dated: October 1, 1991

SIGNED AND CERTIFIED THAT A COPY OF  
THIS DOCUMENT HAS BEEN DELIVERED TO  
THE CHAIRMAN OF THE BOARD

By: Linda D. Ruth  
Linda D. Ruth  
Clerk of the Board

Dated: October, 1991

APPROVED AS TO FORM:

By: Lisa Peskay Malmsten  
Lisa Peskay Malmsten, Deputy  
County Counsel

Dated: 12 February 1992

IWMD/LB:da/8143LB

THE FOREGOING INSTRUMENT IS A TRUE  
AND CORRECT COPY OF THE ORIGINAL  
ON FILE IN THIS OFFICE.

ATTEST: December 28 1994  
PHYLLIS A. HENDERSON, Clerk of the Board  
of Supervisors, County of Orange

BY Maigh E. Ellett, DEPUTY

October 1, 1991

RESOLUTION NO. 91-1136. ESCROW AND PLEDGE OF REVENUE AGREEMENTS WITH THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD FOR CLOSURE AND POST CLOSURE MAINTENANCE: Integrated Waste Management Department requests approval of agreements to meet the requirements of California Integrated Waste Management Board Code of Regulations.

MOTION: On motion by Supervisor Riley, seconded by Supervisor Vasquez, the Board adopted Resolution No. 91-1136 authorizing execution of the Closure and Post-Closure Maintenance Agreements for the Santiago Canyon, Prima Deshecha, and Olinda Alpha Sanitary Landfills. MOTION UNANIMOUSLY CARRIED.

240  
IWM  
Vasquez  
Wilson  
10-1-91  
[Signature]

*File 172 Collect*  
*Treasurer*  
*CO CO*  
*Auditor*  
*E. Paul*  
*10-17-91*  
*by [signature]*  
*10-17-91*

RESOLUTION OF THE BOARD OF SUPERVISORS OF  
ORANGE COUNTY, CALIFORNIA

OCTOBER 1, 1991

On motion of Supervisor Riley, duly seconded and carried, the following Resolution was adopted:

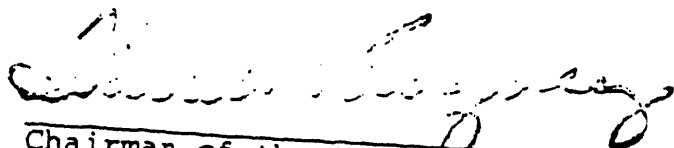
WHEREAS, Integrated Waste Management Department has requested approval of agreements to meet the requirements of California Integrated Waste Management Board Code of Regulations.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Board authorize execution of the Closure and Post-Closure Maintenance Agreements for the Santiago Canyon, Prima Deshecha, and Olinda Alpha Sanitary Landfills.

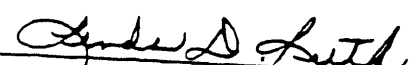
OFFICE  
COUNTY CO.  
ORANGE CO.

(105) FO192-210 (5/77)

91-1136  
1.  
Escrow and Pledge of Revenue Agreements  
with Waste Management Board For Closure  
and Post Closure Maintenance

  
Chairman of the Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY  
OF THIS DOCUMENT HAS BEEN DELIVERED.  
TO THE CHAIRMAN OF THE BOARD

  
LINDA D. RUTH  
Clerk of the Board of Supervisors  
County of Orange, California

AYES: Supervisors THOMAS F. RILEY, GADDI H. VASQUEZ,  
ROGER R. STANTON, HARRIET M. WEIDER, and  
DON R. ROTH


NOES: Supervisors None

ABSENT: Supervisors None

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss.

I, LINDA D. RUTH, Clerk of the Board of Supervisors of Orange  
County, California, hereby certify that the above and foregoing  
Resolution was duly and regularly adopted by the said Board at a  
regular meeting thereof held on the 1st day of October, 1991, and  
passed by a unanimous vote of said Board.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st  
day of October, 1991.

  
LINDA D. RUTH  
Clerk of the Board of Supervisors  
of Orange County, California

RESOL

## ESCROW AGREEMENT

The parties to this Escrow Agreement are the State of California Integrated Waste Management Board, referred to herein as BOARD, County of Orange, through its Integrated Waste Management Department referred to herein as IWMD, and County of Orange Treasurer's Office referred to herein as ESCROW AGENT.

### RECITALS

(1) The BOARD and IWMD desire to enter into an agreement to provide assurance of funds for closure at the County of Orange Prima Deshecha Sanitary Landfill, (SWIS No. 30-AB-0019), referred to herein as PROJECT.

(2) The purpose of this agreement is to provide the terms and conditions for the deposit by IWMD of sufficient funds with the ESCROW AGENT to assure the BOARD that funds in the amount necessary to meet required expenses of the PROJECT will be available as needed.

(3) The funds shall be deposited into a separate identifiable account within the IWMD Enterprise Fund 2993 and transferred into ESCROW ACCOUNT 2017 maintained by the County of Orange, exclusively for the PROJECT.

### SECTION I

#### IWMD AGREES:

(1) To deliver monies, negotiable securities, or securities as specified in the attached EXHIBIT A, to the ESCROW AGENT according to the requirements of Title 14 California Code of Regulations (CCR) Section 18282 (b through c).

(2) To request disbursement of funds from this ESCROW ACCOUNT only in accordance with activities specified in the closure plan most recently approved by the applicable State agencies.

(3) To request advance disbursement of funds, as specified in the California Code of Regulations (14, CCR, 18262.3, (a), (7), (A)), from the ESCROW AGENT based on the demonstration of an executed contract or agreement for services for activities to be performed in accordance with the most recently approved closure plan.

(4) To furnish progress reports on a quarterly basis, to demonstrate that expenditures from this ESCROW ACCOUNT have been made in accordance with the most recently approved closure plan.

(5) To maintain sufficient funds in the ESCROW ACCOUNT to assure the BOARD that funds in the amount necessary to meet the required expenses of the PROJECT for closure will be available as needed. This means that, as a minimum, it should be maintained in accordance with 14 CCR 18282 (b) through (c).

IWMD/LB:da/8143LB

## SECTION II

### BOARD AGREES:

(1) In the event that the Board determines that the County of Orange has failed or is failing to perform closure as described in the most recently approved closure plan, the Board may direct the ESCROW AGENT to pay to the Director and Chief Engineer of IWMD from the appropriate closure fund such amounts as are necessary to ensure closure, who shall then be obligated to use such funds for that purpose at Prima Deshecha Sanitary Landfill in accordance with the directive of the Board.

(2) In the event that IWMD fails to perform the closure described in the closure plan, the BOARD may request a draw of funds in United States currency to pay for services or supplies needed to fulfill the most recently approved closure plan. The funds shall be made available to the BOARD within fifteen (15) days of the request. If reimbursement for BOARD supplied services is necessary following BOARD-initiated actions taken to fulfill the most recently approved closure plan, such requests shall be supported by documented billings submitted to the ESCROW AGENT at least fifteen (15) days in advance of payment. Payment in United States currency shall be made to the BOARD within fifteen (15) days of submission of documented costs. A copy of the documented billing shall be provided to the Director and Chief Engineer of IWMD concurrently.

(3) Notwithstanding the provisions of Section II, (1) and (2), herein, IWMD shall retain access to the funds on deposit in the ESCROW ACCOUNT established and maintained in accordance with this ESCROW AGREEMENT for services and supplies purchased and/or provided to fulfill the closure plan most recently approved by the applicable State agencies.

## SECTION III

### ESCROW AGENT AGREES:

(1) To place IWMD deposit funds into ESCROW ACCOUNT 2017 immediately upon receipt from IWMD.

(2) To hold IWMD deposited funds in trust for the benefit of the BOARD until such time as funds are requested by IWMD as specified in Section I (3), or by the BOARD as specified in Section II (1) and (2), or until this ESCROW AGREEMENT is terminated.

(3) To make no charge to the BOARD for any services or out-of-pocket expenses incurred in carrying out the duties and obligations under this ESCROW AGREEMENT.

(4) That it holds said IWMD deposited funds as trustee for the BOARD and that the rights of the BOARD to such funds are superior to any lien or claim of lien which ESCROW AGENT, IWMD, IWMD's governing body or creditors of IWMD or its governing body claim or may in the future claim against said funds.

IWMD/LB:da/8143LB

(5) To make payments from the ESCROW ACCOUNT as the IWMD shall direct, in writing, to provide for the payment of the costs of the PROJECT, pursuant to Section I, (3). Payments shall be made within fifteen (15) days of the request.

(6) To make payments from the ESCROW ACCOUNT as the BOARD shall direct, in writing, to provide for the payment of the costs of the PROJECT, pursuant to Section II, (1) and (2). Payments shall be made within fifteen (15) days of the request.

#### SECTION IV

#### THE PARTIES HERETO MUTUALLY AGREE THAT:

(1) All earnings and profits on amounts on deposit in the ESCROW ACCOUNT shall be retained as part of the ESCROW ACCOUNT until such time that the funds are needed to fulfill the closure requirements.

(2) IWMD may, with BOARD's concurrence, withdraw excess funds from the custody of the ESCROW AGENT, provided that the requirements of Section I, (5) of this agreement are satisfied. BOARD concurrence will not be unreasonably withheld and denial for good cause shall be provided to IWMD not later than four (4) months following the request to withdraw the excess funds.

(3) This ESCROW AGREEMENT shall terminate after notification to ESCROW AGENT and IWMD of the termination of the PROJECT pursuant to 14 CCR 18297; or, if a substitution of mechanism is made, pursuant to the criteria of 14 CCR 18292. ESCROW AGENT shall then promptly return to IWMD all funds including accrued interest, earnings and profits remaining in the ESCROW ACCOUNT upon notice that said remaining funds may be released. The BOARD shall not unreasonably delay the giving of such notice.

(4) Fully documented fees, charges or expenses, by the ESCROW AGENT while servicing this ESCROW ACCOUNT shall be paid to the ESCROW AGENT from the ESCROW ACCOUNT, following approval by the BOARD.

(5) This ESCROW AGREEMENT shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto, consistent with the provisions of 14 CCR 17792 and 18297.

(6) Separate counterpart signature pages may be used but that all pages shall constitute one and the same agreement.

IWMD/LB:da/8143LB



IN WITNESS HEREOF, The parties have executed this agreement on the date and year as set forth below.

\* \* \*

STATE OF CALIFORNIA  
Integrated Waste Management Board

By: *Michael R. Frost*  
Michael R. Frost  
Chairman

Dated: 4/6/92

APPROVED AS TO FORM AND PROCEDURE:

By: *Robert F. Conheim*  
Robert F. Conheim  
General Counsel

Dated: 4-3-92

COUNTY OF ORANGE  
Board of Supervisors

By: *Gaddi Vasquez*  
Gaddi Vasquez  
Chairman

Dated: October 1, 1991

ESCROW AGENT

By: *Robert Citron*  
Robert Citron  
Treasurer/Tax Collector

Dated: 9/10/91

SIGNED AND CERTIFIED THAT A COPY OF  
THIS DOCUMENT HAS BEEN DELIVERED TO  
THE CHAIRMAN OF THE BOARD

By: *Linda D. Ruth*  
Linda D. Ruth  
Clerk of the Board

Dated: October 1, 1991

APPROVED AS TO FORM:

By: *Lisa Peskay Malmsten*  
Lisa Peskay Malmsten, Deputy  
County Counsel

Dated: 12 September 1991

IWMD/LB:da/8143LB

EXHIBIT A

ELIGIBLE SECURITIES OR CERTIFICATES OF DEPOSIT

1. U. S. Treasury Bills, and Notes  
Export-Import Bonds  
Government National Mortgage Association Debentures  
Farmers Home Administration Notes  
Public Housing Notes
2. State of California General Obligation Bonds
3. General Obligation Bonds of any California County, City, Metropolitan Water DISTRICT, Municipal Utility DISTRICT, or school DISTRICTS. (In addition, other issues are eligible by statutory authority authorizing the issuance; each issue has to be determined on request).
4. Banks for Cooperative Debentures  
Federal Intermediate Credit Bank Debentures  
Federal Home Loan Bank Notes and Bonds  
Federal Land Bank Bonds  
Federal National Mortgage Association Debentures  
Tennessee Valley Authority Bonds
5. Certificates of Deposit  
Federal Chartered Banks  
State of California Chartered Banks

IWMD/LB:da/8143LB

**PLEDGE OF REVENUE FOR POST-CLOSURE MAINTENANCE**

## PLEDGE OF REVENUE AGREEMENT

This agreement establishes a Pledge of Revenue to assure that adequate funds are available to carry out the Postclosure Maintenance of the Prima Deshecha Sanitary Landfill (Landfill).

This Agreement shall become effective upon execution by both parties, and is made and entered into by and between the County of Orange, through its Integrated Waste Management Department (IWMD) and the California Integrated Waste Management Board (Board).

WHEREAS, California Public Resources Code Sections 43500 thru 43610 and Title 14 of the California Code of Regulations (Regulations), Chapter 5, Article 3.5, require operators of solid waste landfills to demonstrate the availability of financial resources to conduct closure and postclosure maintenance activities; and

WHEREAS, Sections 18283 and 18290 of the Regulations specify a pledge of revenue as an acceptable mechanism to demonstrate financial responsibility for postclosure maintenance of a solid waste landfill; and

WHEREAS, IWMD operates the Prima Deshecha Sanitary Landfill, a solid waste landfill, in conformance with the findings, conditions, prohibitions and requirements contained in Solid Waste Facilities Permit No. 30-AB-0019 issued by the County of Orange Solid Waste Enforcement Agency serving as Local Enforcement Agency for the Board; and

WHEREAS, IWMD is pledging revenues from gate fees deposited into the County of Orange Integrated Waste Management Department Enterprise Fund 2991 (Enterprise Fund); and

WHEREAS, IWMD has determined that projected net revenues from gate fees during the thirty (30) year period of postclosure maintenance shall, during each year of this period, be greater than the yearly monitoring and postclosure maintenance cost contained in the most recent Cost Estimate for the Prima Deshecha Sanitary Landfill, submitted to the Board, in accordance with Section 18266 of the Regulations.

NOW THEREFORE, IWMD and the Board do agree as follows;

1. IWMD shall establish a pledge of revenue of the Enterprise Fund to demonstrate financial responsibility for postclosure maintenance of the Landfill in accordance with Sections 18283 and 18290 of the Regulations.

IWMD/LB:da/8143LB


2. IWMD agrees to pledge net revenues from the Enterprise Fund as described herein.
3. The amount of the pledged revenue shall be equal to an average of \$1,232,333 per year for the 30 year period of postclosure maintenance, representing the most recent monitoring and postclosure maintenance cost estimate for the Landfill. It is agreed that the amount of this pledge may increase or decrease to match any adjustment to the identified cost estimate which is mutually agreed to by IWMD and the Board.
4. If IWMD ceases at any time to retain control of its ability to allocate the pledged revenue as identified herein to pay postclosure maintenance costs, IWMD shall notify the Board and the County of Orange Solid Waste Enforcement Agency and shall obtain alternate coverage within sixty (60) days, pursuant to Section 18293 of the Regulations.
5. In the event that the Board determines that the County of Orange has failed or is failing to perform the postclosure maintenance as described in the most recently approved postclosure maintenance plan, the Board may direct the County of Orange Auditor Controller to pay to the Director and Chief Engineer of IWMD from the pledged revenues such amounts as are necessary to ensure postclosure maintenance, who shall then be obligated to use such funds for these purposes at Prima Deshecha Sanitary Landfill in accordance with the directive of the Board.
6. In the event that IWMD fails to perform the postclosure maintenance described in the most recently approved postclosure maintenance plan, the BOARD may request the County of Orange Auditor Controller to pay from the pledged revenues for services or supplies needed to fulfill the required tasks outlined in the most recently approved postclosure maintenance plan. If reimbursement for BOARD supplied services is necessary following BOARD-initiated actions taken to fulfill the most recently approved postclosure maintenance plan, such requests shall be supported by documented billings submitted to the County of Orange Auditor Controller at least fifteen (15) days in advance of payment. A copy of the documented billing shall be provided to the Director and Chief Engineer of IWMD concurrently.
7. Separate counterpart signature pages may be used but that all pages shall constitute one and the same agreement.

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IN WITNESS HEREOF, The parties have executed this agreement on the date and year as set forth below.

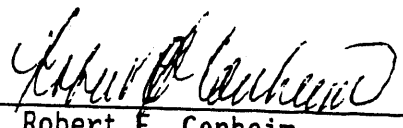
\* \* \*

STATE OF CALIFORNIA  
Integrated Waste Management Board

By:   
Michael R. Frost  
Chairman

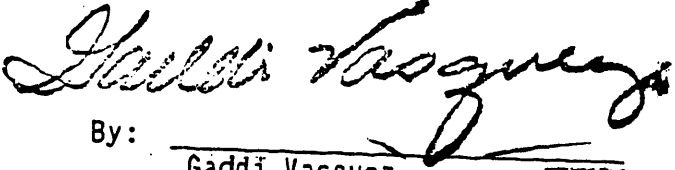
Dated: 4/6/92

APPROVED AS TO FORM AND PROCEDURE:

BY:   
Robert F. Conheim  
General Counsel

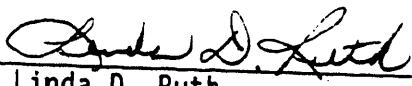
Dated: 4-3-92

COUNTY OF ORANGE  
Board of Supervisors

By:   
Gaddi Vasquez  
Chairman

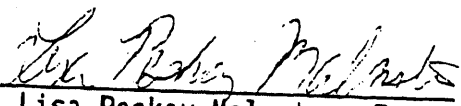
Dated: October 1, 1991

SIGNED AND CERTIFIED THAT A COPY OF  
THIS DOCUMENT HAS BEEN DELIVERED TO  
THE CHAIRMAN OF THE BOARD

By:   
Linda D. Ruth  
Clerk of the Board

Dated: October, 1991

APPROVED AS TO FORM:

By:   
Lisa Peskay Malmsten, Deputy  
County Counsel

Dated: 13 September 1991

IWMD/LB:da/8143LB